

Minutes of the  
**RENEWABLE ENERGY COUNCIL**

Wednesday, August 27, 2008  
Icelandic Room, ND Department of Commerce  
Bismarck, North Dakota

**CALL TO ORDER**

Shane Goettle, Chairman, called the Renewable Energy Council meeting to order at 2:01 p.m.

**Members Present:** Shane Goettle, Al Christianson, Mark Nisbet, Randy Schneider

**Members Present via phone:** Terry Goerger and Eric Mack

**Others Present:**

Bill Huether, Department of Commerce  
Justin Dever, Department of Commerce  
Brandi Schoenberg, Department of Commerce  
Karlene Fine, ND Industrial Commission  
Bruce Folkedahl, EERC  
Jeff Zueger, Blue Flint Ethanol  
Valerie Kummer, American Lung Association  
Kelly Marczak, American Lung Association  
Andrea Pfennig, Department of Commerce

**WELCOME**

Shane Goettle welcomed the members of the Renewable Energy Council. Roll call was taken and introductions were made by those present followed by a review of the meeting agenda.

**APPROVAL OF MINUTES**

The minutes of the April 8, 2008 and the July 8, 2008 minutes were reviewed.

**It was moved by Christianson and seconded by Nisbet to approve the minutes of the April 8, 2008 meeting. Motion carried on a voice vote.**

**It was moved by Christianson, seconded by Schneider and carried on a voice vote to approve the minutes of the July 8, 2008 meeting.**

**PRESENTATION OF FINANCIAL SUMMARIES**

Fine reported that \$1,168,725 in funds remains prior to this grant round and that if all applications are approved at the meeting, \$811,927 will be available for grant rounds four and five.

Fine reported that \$2.8 million in funds is available between the biomass program and renewable energy program.

In response to a question from Schneider, Fine stated that Lake Region State College has not secured the private sector dollars but they have until November 1.

**CONSIDERATION OF GRANT ROUND 3 APPLICATIONS**

Huether stated that this is a special round and there are two applications. Each has been reviewed by three technical reviewers.

**R003-A: "Promoting Ethanol Fuels in North Dakota (revised); Submitted by American Lung Association of North Dakota and ND Ethanol Producers Association; Principal Investigators: Kelly Marczak & Valerie Kummer; Request for \$167,764; Total Project Cost \$335,527**

Huether discussed the project submitted by the American Lung Association of North Dakota and ND Ethanol Productions Association requesting \$167,764.

Huether said the three technical reviewers gave the proposal an average weighted score of 185 out of 250 points. Technical reviewer 3A and 3B recommended Funding May Be Considered and technical reviewer 3C recommended Funding.

Huether recommended funding contingent upon documentation demonstrating the matching funds being submitted within sixty days of approval and project data and reports be provided to the Renewable Energy Council.

Valerie Kummer, American Lung Association, presented on their application. Kummer introduced Kelly Marczak and Jeff Zueger and explained that they partner with many groups on this project. Kummer stated that consumer awareness is needed in order to meet the new Renewable Fuel Standards (RFS). Kummer presented the project objectives and goals. Kummer explained the project method and activity description and said they have conducted a pre-campaign scientific survey. An ethanol fuel promotion and educational campaign will be developed. Kummer stated that they would like to implement station grants across the state. Kummer explained how they plan to measure the success of the project and the project timetable.

Schneider stated that the Ethanol Producers appreciate the partners involved and the pre-campaign survey that was implemented. He stated that the flex fuel vehicle market is growing.

In response to a question from Goettle, Kummer stated that E20 purchased is classified along with E10 as gasahol by the State Tax Department.

In response to a question from Huether, Kummer stated that the source of the matching funds for the project has not yet been determined.

It was requested that a six month timeframe be given to the project to establish funds and revisit again for the January round. Goettle requested that the match target be January 1 and the principal investigator agreed.

**It was moved by Christianson, seconded by Schneider and carried unanimously on a roll call vote to adopt the contingencies proposed by the technical advisor with a change of date to submit match documentation by January 1, 2009. Goettle, Christianson, Goerger, Mack, Nisbet, and Schneider voted "aye." No negative votes were cast.**

Fine asked if the project should be funded as they go forward or if the funds need to be released when the rest of the match is received. Goettle stated that they will look to see where the project is at in 30 days when the Industrial Commission meets and proceed from that point.

**R003-B: "Fischer-Tropsch Fuels Development"; Submitted by Energy and Environmental Research Center; Principal Investigator: Bruce C. Folkedahl; Project Duration: 12 months; Total Project Costs \$899,820; Request for: \$189,034**

Huether explained the project requesting \$189,034 with duration of 12 months.

Huether said the three technical reviewers gave the proposal an average weighted score of 177.33 out of 250 points. Technical reviewer 3D recommended Funding, 3E recommended Funding May Be Considered and technical reviewer 3F recommended Do Not Fund.

Huether recommended funding contingent upon documentation demonstrating the matching funds being submitted within sixty days of approval and project data and reports be provided to the Renewable Energy Council. He stated that there are questions left unanswered, but this not unusual with an early stage research project.

Bruce Folkedahl, EERC, presented on the project. He started out by stating the project is funded by the Department of Energy, but they need a 20% match prior to accessing the funds. Folkedahl presented on the project goal, specific objectives and the three tasks involved. He walked through the basic biomass to liquids (BTL) Process and explained the Fischer-Tropsch (FT) Synthesis. Folkedahl explained the advantages of the BTL and how they can use any source of biomass because it varies from place to place and the process can be tailored. He explained that FT catalysts need to be developed and the grant would help with this and

the syngas clean up. He also addressed the benefits to North Dakota.

In response to a question from Nisbet, Folkedahl stated that he doesn't know how much biomass is available in the state but a typical FT plant using biomass would be the size of an ethanol plant.

In response to a question from Schneider, Folkedahl stated that this project isn't working in tandem with the fertilizer project and the feedstock would be prairie or switch grass and even corn cobs and urban wood waste.

In response to a question from Schneider, Folkedahl stated that there is no other entity doing this at a small distributed scale.

In response to a question from Mack, Folkedahl stated that they are three to five years away from a demonstration scale plant.

In response to a question from Schneider, Folkedahl stated that there is no private sector partner and the current grant money was received in August from the DOE and they are seeking a full 20 percent from the state to release the DOE funds.

Huether stated that having a private sector partner is a preference and not a requirement.

In response to a question from Nisbet, Folkedahl stated that the project isn't being done just for research value and the project is being considered by private sector partners.

**It was moved by Nisbet, seconded by Schneider and carried unanimously on a roll call vote to adopt the contingencies proposed by the technical advisor. Goettle, Christianson, Goerger, Mack, Nisbet, and Schneider voted "aye." No negative votes were cast.**

## **COMPLETION OF BALLOT**

**R003-A: "Promoting Ethanol Fuels in North Dakota (revised)" Fund: 6 votes. Do Not Fund: 0 votes.**

**R003-B: "Fischer-Tropsch Fuels Development" – Fund: 6 votes. Do Not Fund: 0 votes.**

The recommendation will now go to the Industrial Commission to make a final determination.

## **ADMINISTRATIVE BUSINESS**

Goettle discussed the next meeting date of January 5, 2009 and the application deadline being November 1, 2008.

**It was moved by Christianson, seconded by Schneider and carried on a voice vote that the next meeting be scheduled for to January 5, 2009.**

Fine stated that she will be drafting legislation for merging the Renewable Energy program and the Biomass Energy program.

Goettle stated that there are a few differences between the two programs. The Renewable Energy program has a per project cap and there is no cap for the Biomass Energy program. Goettle stated that the council can waive the caps. Huether stated that some biomass projects might not be related to renewable energy and that reviewer confidentially is different between the two.

Goettle stated that the biomass program shouldn't duplicate regional efforts that are already in place. Huether stated that there is also no education mandate in the Biomass Energy program.

Schneider suggested that merging the programs still be reviewed.

Goettle asked the council if he should bring the merger request to the Industrial Commission for them to draft for legislative policy.

**It was moved by Christianson, seconded by Schneider and carried on a voice vote to make a recommendation to the Industrial Commission to merge the two programs.**

### **ADJOURNMENT**

**It was moved by Christianson, seconded by Schneider and carried on a voice vote that the meeting be adjourned.** Chairman Goettle adjourned the meeting at 3:47 p.m.

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Shane Goettle	Date
Chair	

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Brandi Schoenberg	Date
Acting Recorder	